

1  
2 **BEFORE THE FEDERAL ELECTION COMMISSION**  
3

4 In the Matter of )  
5 ) **MUR 5504**  
6 John Karoly, Jr )  
7 Karoly Law Offices, P C )  
8 Jayann Brantley )  
9 Heather Kovacs )  
10 Christina Ligotti )  
11

12  
13 **GENERAL COUNSEL'S REPORT #4**  
14

15 **I. ACTIONS RECOMMENDED:**

16 Accept the attached conciliation agreement with John Karoly, Jr , Karoly Law  
17 Offices, P C , Jayann Brantley, Heather Kovacs and Christina Ligotti, and close the file as  
18 to all Respondents

19 **II. DISCUSSION**  
20

21 Attached is a proposed conciliation agreement for John Karoly, Jr , Karoly Law  
22 Offices P C , Jayann Brantley, Heather Kovacs and Christina Ligotti, which has been signed  
23 by John Karoly, Jr on his and the law firm's behalf and by counsel for Brantley, Kovacs and  
24 Ligotti The agreement would settle the Commission's probable cause findings as to John  
25 Karoly, Jr 's and Karoly Law Offices' violations of 2 U S C § 441b(a) and 441f in connection  
26 with reimbursements to Jayann Brantley, Heather Kovacs and Christina Ligotti for their  
27 contributions to the Gephardt presidential campaign with funds from Karoly Law Offices, and  
28 as to Jayann Brantley's, Heather Kovacs' and Christina Ligotti's violations of 2 U S C § 441f

1 for permitting their names to be used to make contributions in the name of another<sup>1</sup>

2

3

4

5

6

7

8

9

10

11

12

13

14

15

---

<sup>1</sup> On June 8, 2009, a federal district court judge in California dismissed criminal charges that Pierce O'Donnell violated section 441f by reimbursing conduit contributions to the 2004 presidential campaign of Sen. John Edwards, ruling in part that Congress did not intend that provision to outlaw indirect contributions made through conduits *US v O'Donnell*, C D Cal, Criminal No. 08-872. The legal conclusion in the court's Order (which is subject to a possible motion for reconsideration and Ninth Circuit appeal) rests on a misunderstanding of the applicable law and is inconsistent with authority in various other federal circuits including the Third Circuit, where respondents are located. *See Mariani v United States*, 212 F.3d 761 (3<sup>rd</sup> Cir. 2000). In *Mariani*, the Third Circuit recognized that section 441f prohibits making contributions through conduits.

29044243514

29044243515

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18

29044243516

1 \_\_\_\_\_  
2 \_\_\_\_\_  
3 \_\_\_\_\_  
4 \_\_\_\_\_  
5 \_\_\_\_\_  
6 \_\_\_\_\_  
7 \_\_\_\_\_  
8 \_\_\_\_\_  
9 \_\_\_\_\_  
10 \_\_\_\_\_  
11 \_\_\_\_\_  
12 \_\_\_\_\_ates  
13 \_\_\_\_\_  
14 \_\_\_\_\_  
15 \_\_\_\_\_  
16 \_\_\_\_\_  
17 \_\_\_\_\_  
18 \_\_\_\_\_  
19 \_\_\_\_\_  
20 \_\_\_\_\_  
21 \_\_\_\_\_  
22 \_\_\_\_\_

23 \_\_\_\_\_ Therefore, we recommend that the Commission  
24 accept the conciliation agreement and close the file as to all Respondents

**III. RECOMMENDATIONS**

- 1 Accept the attached signed conciliation agreement with John Karoly Jr ,  
Karoly Law Offices, P C , Jayann Brantley, Heather Kovacs and Christina  
Ligotti
- 2 Approve the appropriate letters
- 3 Close the file as to all Respondents


Thomasenia P Duncan  
General Counsel

6/15/09  
Date

By

  
Ann Marie Terzaken  
Associate General Counsel for  
Enforcement

  
Susan L. Lebeaux  
Assistant General Counsel

  
Delbert K. Rigsby  
Attorney